

10

28

MONTHLY INCOME

CASH AVAILABLE TO CLOSE

HOUSING RATIO

RATE

ANNUAL T&I AS A PERCENT OF HOUSE PRICE

MONTHS OF PREPAIDS DUE AT CLOSING

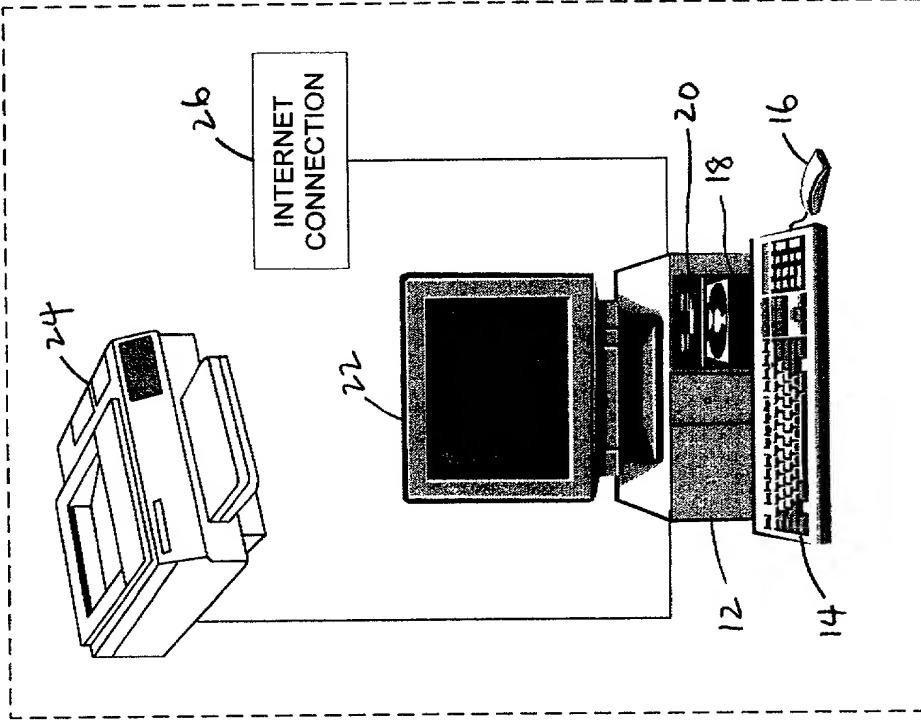
TERM IN MONTHS

SETTLEMENT COSTS AS % OF HOUSE PRICE

PREPAIDS AS % OF HOUSE PRICE

HOUSE VALUE APPRECIATION ASSUMPTION

USER INPUTS



SYSTEM OUTPUTS

LOOKUP MI ANNUAL RATE

MAXIMUM HOUSE AFFORDABLE (CASH CONSTRAINED)

DOWN PAYMENT

LOAN AMOUNT

CASH NEEDED TO CLOSE (BEYOND DOWN PAYMENT)

ADDITIONAL GFEE ASSUMED

MAXIMUM HOUSE AFFORDABLE (INCOME CONSTRAINED)

DOWN PAYMENT

LOAN AMOUNT

CASH NEEDED TO CLOSE (BEYOND DOWN PAYMENT)

MAXIMUM HOUSE AFFORDABLE (OVERALL)

PITI

EQUITY POSITION AFTER YEARS 1-10

FIG. 1

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Traditional Calculation Approach	
Established Calculation Method for Affordability Table	
Given a target House Payment,	
Must solve for House Price using Goal Seek from Tool Bar	
Input House Price	100000
Input Rate	7.50%
Input Annual T&I as percent of House Price	1.50%
Input Term in months	360
Input Housing Ratio	33%
Input MI Annual rate	0.78%
Input LTV	95%
Output: House Payment	851
Output: Gross Monthly Income Needed	2579

FIG. 2

Mortgage Insurance Affordability Calculator

Input Monthly Income 3000
 Input Cash Available To Close 3000
 Input Housing Ratio 33%
 Maximum Payment 990 d

 Input Rate 5.0% 0.625%
 Input Annual T&I as percent of House Price 1.50% 0.125%
 Input: Months of Prepays Due At Closing 2
 Input Term in months 360
 Input: Settlement Costs as % House Price 3%
 Prepays as % of House price 0.25%
 Input House Value Appreciation Assumption 3%

LTV Scenario		100%
Lookup MI Annual rate	0.080%	0.93%
Maximum House Affordable (Cash Constrained)		276,923
Downpayment		-
Loan Amount		276,923
Cash Needed To Close (beyond Downpayment)		9,000
Additional Fee assumed	0.53%	
Maximum House Affordable (Inc Constrained)		105,067
Downpayment		-
Loan Amount		105,067
Cash Needed To Close (beyond Downpayment)		3,415
Maximum House Affordable (Overall)		105,067.30
PITI		\$ 950.03
Equity Position After Year		
1		\$4,121
2		\$8,411
3		\$12,880
4		\$17,536
5		\$22,390
6		\$27,451
7		\$32,732
8		\$38,243
9		\$43,998
10		\$50,009

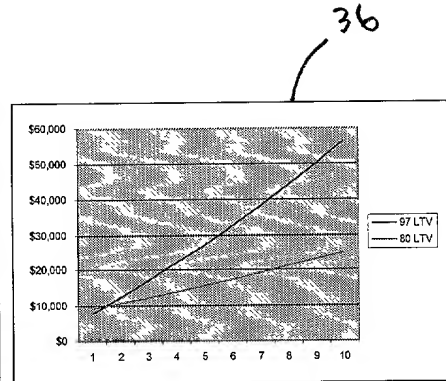
LTV Scenario		97%
Lookup MI Annual rate	0.080%	0.93%
Maximum House Affordable (Cash Constrained)		144,000
Downpayment		4,320
Loan Amount		139,680
Cash Needed To Close (beyond Downpayment)		4,680
Maximum House Affordable (Inc Constrained)		112,393
Downpayment		3,372
Loan Amount		109,021
Cash Needed To Close (beyond Downpayment)		3,653
Maximum House Affordable (Overall)		112,393
PITI		\$ 990.00
Equity Position After Year		
1		\$7,749
2		\$12,305
3		\$17,049
4		\$21,991
5		\$27,141
6		\$32,511
7		\$38,111
8		\$43,954
9		\$50,053
10		\$56,422

LTV Scenario		95%
Lookup MI Annual rate	0.065%	0.78%
Maximum House Affordable (Cash Constrained)		109,091
Downpayment		5,455
Loan Amount		103,636
Cash Needed To Close (beyond Downpayment)		3,545
Maximum House Affordable (Inc Constrained)		116,333
Downpayment		5,817
Loan Amount		110,517
Cash Needed To Close (beyond Downpayment)		3,781
Maximum House Affordable (Overall)		109,091
PITI		\$ 928
Equity Position After Year		
1		\$9,683
2		\$14,083
3		\$18,665
4		\$23,436
5		\$28,408
6		\$33,591
7		\$38,995
8		\$44,632
9		\$50,515
10		\$56,658

LTV Scenario		90%
Lookup MI Annual rate	0.043%	0.52%
Maximum House Affordable (Cash Constrained)		67,925
Downpayment		6,792
Loan Amount		61,132
Cash Needed To Close (beyond Downpayment)		2,208
Maximum House Affordable (Inc Constrained)		124,796
Downpayment		12,480
Loan Amount		112,317
Cash Needed To Close (beyond Downpayment)		4,056
Maximum House Affordable (Overall)		67,925
PITI		\$ 539
Equity Position After Year		
1		\$9,394
2		\$12,100
3		\$14,916
4		\$17,848
5		\$20,902
6		\$24,083
7		\$27,399
8		\$30,856
9		\$34,462
10		\$38,225

LTV Scenario		85%
Lookup MI Annual rate	0.027%	0.32%
Maximum House Affordable (Cash Constrained)		49,315
Downpayment		7,397
Loan Amount		41,918
Cash Needed To Close (beyond Downpayment)		1,603
Maximum House Affordable (Inc Constrained)		133,423
Downpayment		20,014
Loan Amount		113,410
Cash Needed To Close (beyond Downpayment)		4,336
Maximum House Affordable (Overall)		49,315
PITI		\$ 366
Equity Position After Year		
1		\$9,263
2		\$11,203
3		\$13,222
4		\$15,322
5		\$17,508
6		\$19,785
7		\$22,156
8		\$24,628
9		\$27,205
10		\$29,893

LTV Scenario		80%
Lookup MI Annual rate	0.000%	0.00%
Maximum House Affordable (Cash Constrained)		38,710
Downpayment		7,742
Loan Amount		30,968
Cash Needed To Close (beyond Downpayment)		1,258
Maximum House Affordable (Inc Constrained)		144,658
Downpayment		28,932
Loan Amount		115,727
Cash Needed To Close (beyond Downpayment)		4,701
Maximum House Affordable (Overall)		38,710
PITI		\$ 265
Equity Position After Year		
1		\$9,189
2		\$10,692
3		\$12,256
4		\$13,882
5		\$15,574
6		\$17,335
7		\$19,169
8		\$21,079
9		\$23,069
10		\$25,144



MI Lets You Buy More House Now,
And Build More Equity In The Future!

FIG. 3

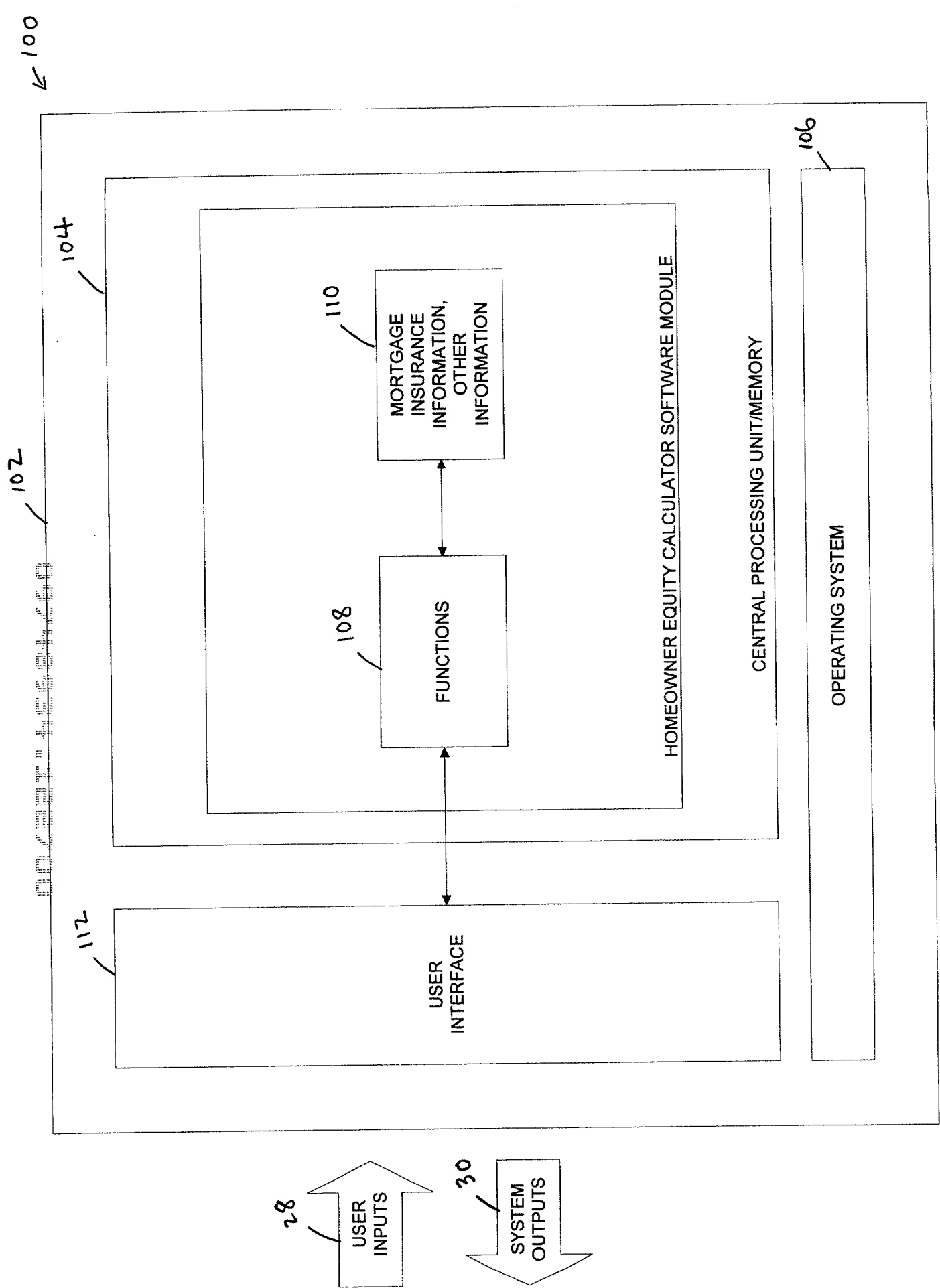


FIG. 4

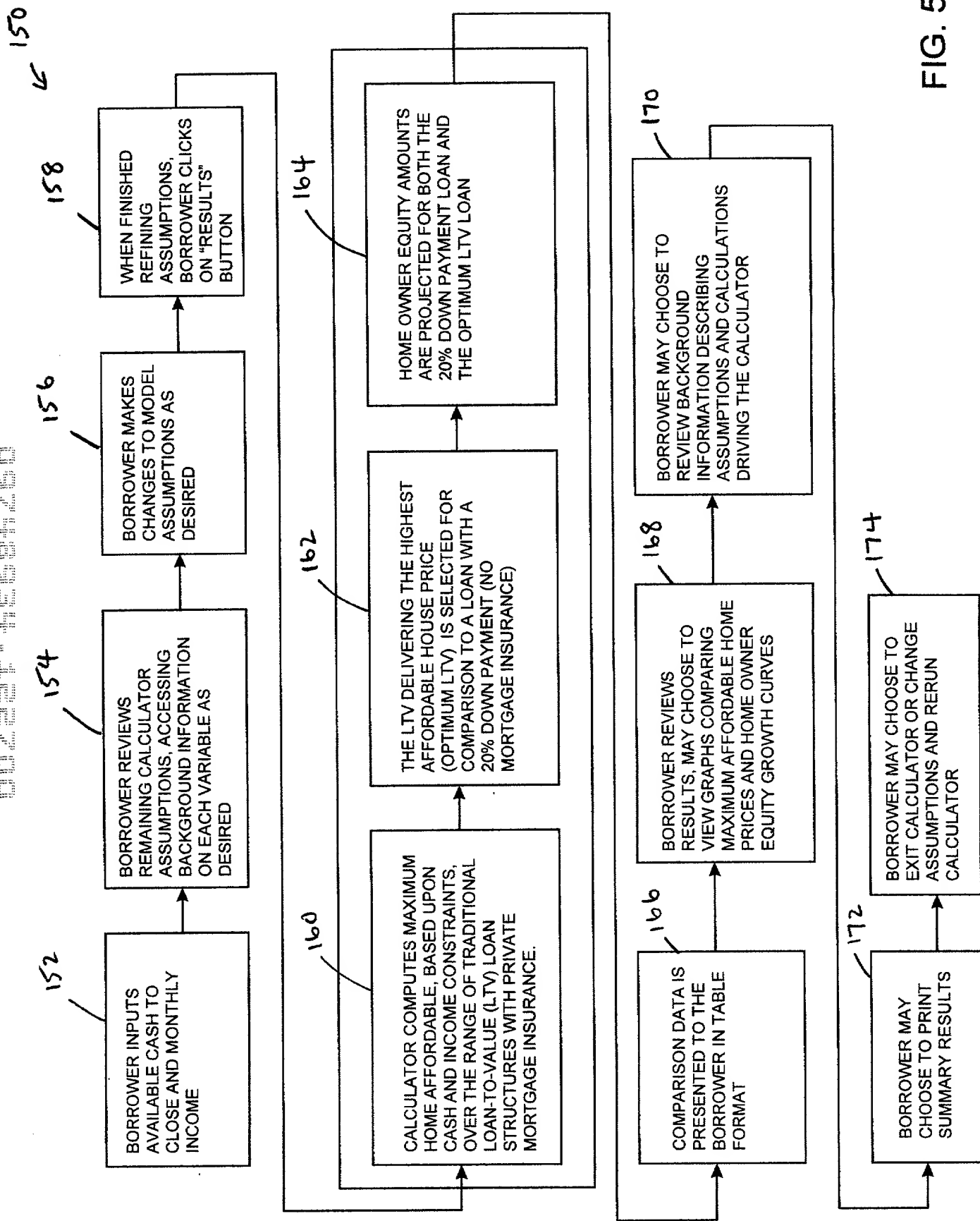


FIG. 5